

Fantasy Should Not Be Mistaken For Reality

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Article:

I've always enjoyed fantasy literature that conveys a sharp political or social message. Among the classics of this subgenre are Thomas More's "Utopia," Jonathan Swift's "Gulliver's Travels," and George Orwell's "1984."

To that canon I can now add Ayn Rand's "Atlas Shrugged." Calling Rand's libertarian opus a work of fantasy might seem strange, but it's a perfect fit.

The book has enjoyed a resurgence of popularity, and many have claimed that it has particular relevance for the Great Recession of 2007-09. A year ago, Club for Growth founder Stephen Moore wrote in *The Wall Street Journal* that "with each successive bailout plan and economic-stimulus scheme out of Washington, our politicians are committing the very acts of economic lunacy that 'Atlas Shrugged' parodied." Billboards have popped up around the country with the question that serves as the book's opening sentence, "Who is John Galt?"

I said to myself, 'This is a book I have to read.' And so I did. It's not a well-written book, but it was fun to read and much less dreary than Rand's "The Fountainhead."

"Atlas Shrugged" portrays an America in an unspecified time, lurching toward a corrupt and logic-challenged form of socialism. A few capitalists, led by the mysterious John Galt, work to thwart the kleptocrats in government and industry who run the country. The capitalists disappear to a hidden valley in Colorado, while the economy collapses under the weight of inefficiency and mismanagement. Eventually the government collapses as well, and Galt announces that the capitalists will return to rebuild the country.

Rand's prose is wooden, her symbolism is ham-fisted, and her characters are straw men. The opponents of capitalism are one-dimensional connivers of a sort not seen in nature. We're introduced to a cabal of corporate leaders who actually oppose "material greed," and not just for public relations. Of course, Rand was reacting to the totalitarian regimes of the middle 20th century, and she imagined an extreme version of the world around her. But the very extremity of her imagination is what renders "Atlas Shrugged" a work of fantasy.

It's also one of the core texts of American libertarianism. Aside from the book's literary merits, does it have important economic lessons? Yes, in broad outlines. Capitalism is integral to the U.S. economy and it enriches its citizens. Innovation and the potential to profit from it are important, now more than ever. In contrast, state socialism (as distinguished from the term used so cavalierly in today's politics) is an affront to personal liberty.

It's important to understand that while libertarianism and economics both focus on markets and often favor similar policies, the two are distinct. Economics studies when markets work to society's benefit and when they don't. In libertarianism, it's axiomatic that they always do, or more accurately, that it's irrelevant. What's best for the individual is by definition what's best for society.

In contrast to libertarianism's philosophical purity, economics is amoral and relentlessly practical. If Social Security is more efficient than individual retirement accounts, then most economists oppose privatization even though they support it for other programs. If publicly funded research and infrastructure enhance the private sector's productivity, then economists advocate government action.

After the Great Depression, the federal government began to manage the business cycle, and since then our recessions have shortened and our expansions have lengthened. A purist might call that creeping socialism. I call it a success story, in spite of the economic mismanagement prior to our most recent recession.

Beyond, reminding us that capitalism is good, "Atlas Shrugged" offers little to guide economic policy, at least as it is understood by economists.